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Opposition to CIA chief Casey seems to ease after panel meets

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Washington—Opposition to William J. Casey as director of central intelligence appeared to ease slightly yesterday after members of the Senate Select Committee on Intelligence spent three hours reviewing the allegations against him.

Mr. Casey has been under pressure to resign because he placed a potential security risk, Max Hugel, in charge of clandestine operations at the CIA, and because he was involved in questionable stock transactions before his own appointment as head of the agency.

After yesterday's intelligence committee meeting, Senator Barry M. Goldwater (R, Ariz.), the chairman, said the decision to keep Mr. Casey in his job rests with President Reagan, not members of the Senate.

Mr. Goldwater, one of Mr. Casey's sharpest critics in recent days, did not restate his earlier insistence that Mr. Casey should step down.

Asked if he thought Mr. Casey would resign, Mr. Goldwater said: "No. The president has said that Mr. Casey is going to continue, and Mr. Casey is a creature of the president. . . . It's not up to us."

He added that he thought Mr. Reagan "has the right to do what he wants."

Asked if he still thought, as he announced last Thursday at a late evening press conference, that the 68-year-old Mr. Casey should "retire," Mr. Goldwater said: "[Mr. Casey] is a creature of the president, and the president has pretty much usurped anything I say or do."

At the invitation of the intelligence committee, Mr. Casey will appear today in a closed session to explain his personal finances and the circumstances of the hiring of Mr. Hugel.

Mr. Goldwater said Mr. Casey was being given a list of questions well before the hearing, but the senator would not outline them publicly. Mr. Casey said he received the questions yesterday afternoon.

A committee source told the Associated Press that some of the latest questions concerned Mr. Casey's reported legal representation in 1977 of a New Jersey waste disposal system with alleged ties to organized crime.

The White House yesterday gave Mr. Casey another vote of confidence, carefully limiting it to the facts now known about the CIA director.

President Reagan's chief of staff, James A. Baker III, said, "The president has made it clear that he has seen nothing so far that would cause him to change his mind about Bill Casey, and that he continues to support Bill Casey."

It was the possibility of a scandal rooted in stock mar-

ket dealings that forced Mr. Hugel to resign abruptly on July 14. Critics of Mr. Casey say he should have checked Mr. Hugel's background more closely before insisting that he be given one of the most sensitive jobs in government.

Several members of the intelligence committee have indicated they are withholding judgment on Mr. Casey's role in the Hugel matter until they have heard the director's sworn testimony.

Senator Daniel P. Moynihan (D, N.Y.), the committee's ranking minority member, appeared with Mr. Goldwater after yesterday's session and restated his concern about the allegations against Mr. Casey. However, he is among a number of Democrats who have avoided a partisan confrontation over Mr. Casey pending further investigation.

Mr. Goldwater said it appeared that the intelligence committee's probe of Mr. Casey will go on at least a week and may extend into the month-long congressional recess that is due in early August.

If the probe is not concluded before the recess, Mr. Casey may operate under a cloud at the CIA until early September—a prospect not welcomed by him or by White House officials.

In the last few days, Mr. Casey has conducted a vigorous campaign to keep his job. He has been meeting privately with members of the intelligence committee, making his case before employees at the CIA and on Sunday gave the intelligence committee a 2-foot stack of documents relating to the allegations against him.

Commenting yesterday on the materials provided by Mr. Casey, Senator Richard G. Lugar (R, Ind.), a member of the committee, indicated they offered "new details" about Mr. Casey's business dealings.

Mr. Lugar would give no details of the materials, saying only that they do not suggest "character defects or unfitness to serve. . . ."

Various people who reviewed a report prepared by the intelligence committee staff from the materials provided by Mr. Casey say it deals primarily with issues that are already the focus of the controversy—Mr. Casey's involvement in a now defunct farming firm called Multiponics and the selection of Mr. Hugel for a job at the CIA.

Despite yesterday's indications that Mr. Casey may be able to weather the controversy that arose when Mr. Hugel resigned, at least three names of possible successors have been discussed by Republicans in Congress.

One is Adm. Daniel J. Murphy, chief of staff for Vice President Bush and a former intelligence officer. Another is Laurence Silberman, a San Francisco lawyer who served briefly as chief of the Reagan transition team at the CIA and also was deputy attorney general in the Nixon and Ford administrations. The third name being mentioned is Adm. Bobby R. Inman, deputy CIA director.